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September 5, 2014

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

ORIGINAL

RE: Voluntary Solar Contribution Program
Arizona Public Service Company 2014 RES Implementation Plan
Docket No. E-01345A-13-0140

Pursuant to Decision No. 74237, APS is required to:

IT IS FURTHER ORDERED that Arizona Public Service Company shall file by February 7, 2014, a proposed plan or plans of administration for a voluntary contributions program consistent with the requirements set forth herein in the Commission's findings.

On February 7, 2014, the Company filed its initial proposed Voluntary Solar Contribution Program (VSCP) Plan of Administration (POA). Since that time, after discussions with Commissioners and Commission Staff, the proposed VSCP has been revised. Therefore, attached please find the Company's revised VSCP POA.

Under the revised VSCP, the Company would partner with the Arizona Community Foundation (ACF) to install solar rooftop systems on homes constructed by Habitat for Humanity using funds contributed by individuals or entities wishing to voluntarily contribute to and support Arizona solar resources.

If the revised program is approved by the Commission, APS will work with ACF to create and distribute appropriate low- and no-cost promotional materials for the program. APS recommends the program become effective as of January 1, 2015.

If you have any questions regarding this information, please contact Greg Bernosky at (602)250-4849.

Sincerely,

Lisa Malagon

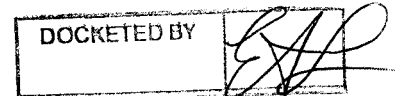
LM/bgs

cc: Steve Olea
Terri Ford
Brian Bozzo

Arizona Corporation Commission

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**VOLUNTARY SOLAR CONTRIBUTION PROGRAM
PLAN OF ADMINISTRATION
DRAFT REVISED 9/5/2014**

1. GENERAL DESCRIPTION:

This document describes the Voluntary Solar Contribution Program (VSCP) approved for Arizona Public Service Company (APS or Company) by the Arizona Corporation Commission (Commission) in Decision No. _____. The VSCP provides individuals and entities an opportunity to support Arizona solar resources by voluntarily contributing funds to the Arizona Community Foundation (ACF), a tax-exempt, third-party independent organization. These funds will be used to install photovoltaic solar panel systems on newly built residential single-family homes constructed by the Arizona chapters of Habitat for Humanity International (Habitat), and are separate from those funds collected through the Commission's mandatory Renewable Energy Standard adjustor mechanism applied to APS customer bills.

The VSCP is effective as of January 1, 2015.

2. ELIGIBILITY:

Any individual, customer, ratepayer, stakeholder, entity, or member of the general public may make voluntary contributions to the VSCP as described in this Plan of Administration. Participation is not limited to APS customers.

3. CONTRIBUTION OF FUNDS:

- 3.1 Any individual or entity wishing to make a contribution to the VSCP may do so through the ACF website at www.azfoundation.org or by sending a check earmarked for the VSCP to:

Arizona Community Foundation
2201 E Camelback Rd #405B
Phoenix, Arizona 85016

- 3.2 Contributions will be held by ACF in a tax-exempt, irrevocable fund.
- 3.3 Investment of assets, tax reporting, auditing responsibilities, and other fund management and administration activities are the responsibility of ACF. ACF will provide regular reports of fund activity to APS.
- 3.4 Any administrative fees for the VSCP fund will be assumed by APS.
- 3.5 As ACF is a tax-exempt 501(c)(3) public charity, any contribution to the VSCP fund is tax deductible subject to Internal Revenue Service



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limitations. Contributors to the VSCP fund should consult a professional tax advisor regarding individual tax situations.

4. DISTRIBUTION OF FUNDS:

- 4.1 Funds will be released to Habitat by ACF to be used to place a rooftop system on a newly built Habitat home under the conditions set forth below in paragraph 4.3. Habitat will select recipients of the home and the rooftop system without input from either ACF or APS, except that any home receiving a solar rooftop system under this program must be located within the Company's service territory. All recipients of rooftop systems must also meet Habitat's home ownership conditions, including performance of "sweat equity" requirements.
- 4.2 Funds must be sufficient to purchase and install a system under warranty and to provide an initial five-year operation and maintenance contract for upkeep of the system.
- 4.3 System installation conditions are as follows:
 - 4.3.1 The solar rooftop system must be sized to produce no more than 50% of the expected total connected load of the home or 3 kW, whichever is smaller.
 - 4.3.2 The roof must be structurally capable of hosting a rooftop system, and must be oriented in such a way as to allow the PV system to face to the south, southwest, or west.
 - 4.3.3 Habitat must select a licensed and qualified Arizona-based solar installer to install and maintain the system.
- 4.4 If, after a period of two years, it appears that contributions to the VSCP will not reach a level necessary to fund a solar rooftop system as described above, APS will contribute enough funds to the program to allow for one solar rooftop system to be installed through Habitat. Once that system is installed, the VSCP fund will be closed.

5. REPORTING:

The Company will provide VSCP fund status reports to Commission Staff every six months. Reports will be provided on October 1 (as a stand-alone status report) and on April 1 (as a part of the annual RES Compliance Report). Reports will contain information regarding the number of participating customers, funds collected in the reporting period, total funds held with any applicable interest accrued, and any expenses associated with the VSCP fund.

Copies of the foregoing delivered/mailed this 5th
day of September, 2014, to:

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